



Texas Department of Insurance

Property & Casualty Program – Actuarial Division, Mail Code 105-5F
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October 21, 2005

Commissioners' Bulletin No. B-0067-05
W.C. Circular Letter No. 714
Retrospective Rating Article No.207

TO ALL INSURANCE COMPANIES, CORPORATIONS, EXCHANGES, MUTUALS, RECIPROCALs, ASSOCIATIONS, LLOYDS, OR OTHER INSURERS WRITING WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE IN THE STATE OF TEXAS, THEIR AGENTS AND REPRESENTATIVES, AND TO THE PUBLIC GENERALLY:

RE: REVISED WORKERS' COMPENSATION CLASSIFICATION RELATIVITIES AND REVISED TABLE OF EXPECTED LOSS RATES AND D-RATIOS UPDATING THE TEXAS BASIC MANUAL OF RULES, CLASSIFICATIONS AND EXPERIENCE RATING PLAN FOR WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE.

The Commissioner of Insurance, by Commissioner's Order No 05-0906, has adopted revised Texas worker's compensation classification relativities and a revised table of expected loss rates and discount ratios amending the Texas Basic Manual of Rules, Classifications and Experience Rating Plan for Workers' Compensation and Employers' Liability Insurance (the Basic Manual).

Description of the Changes and Rate Level Impact

- **Classification Relativities:**
Because the overall average level of the classification relativities has not changed, they are revenue neutral, relative to the existing class relativities. That is, the new classification relativities on an industry-wide basis have been balanced back to the level of the 1/1/05 classification relativities. The Commissioner limited the classification relativity change of any given classification to +/- 25%

- **Expected Loss Rates:**

The expected loss rates have decreased by an average of 1.0% overall from the 1/1/2005 level based on the latest statewide distribution of business by classification. Changes in individual expected loss rates were limited to +/- 25%. The maximum impact will be for larger risks in classes where the expected loss rate decreased by 25%. In those cases, the experience modifier may increase by as much as 33%. In instances where the expected loss rate increases by 25%, the experience modifier may decrease by as much as 20%.

- **Discount Ratios**

The discount ratios were revised to reflect the change in the size of claims and benefit levels over time. Changes for individual classification may affect the split between primary and excess losses.

Actions Required by Companies

All insurance companies must either use the revised classification relativities adopted by Commissioner's Order No. 05-0906 or file their own company-specific classification relativities for all workers' compensation policies written with an effective date on or after January 1, 2006. For policies with an effective date on or after January 1, 2006, insurance companies may no longer use the January 1, 2005 classification relativities as the basis of their rates. All rates must be based either on the January 1, 2006 classification relativities or on company-specific classification relativities that have been filed with TDI. Insurance companies that currently have company-specific classification relativities on file with TDI must use the revised January 1, 2006 classification relativities or make a new filing of company-specific classification relativities. Insurance companies may use the new classification relativities prior to January 1, 2006, provided they notify TDI on or before their selected effective date.

The revised expected loss rates must be used to calculate experience modifiers with an effective date on or after January 1, 2006. They may **not** be used to calculate an experience modifier with an effective date prior to January 1, 2006.

Copies of the tables of revised classification relativities and expected loss rates are available for downloading at TDI's website: www.tdi.state.tx.us. Look for Commissioner's Bulletin No. B-0067-05 under "Bulletins" in the "Lookup/Search" section of TDI's website home page. These are available in Excel and PDF formats.

Required Submissions from Companies

Companies that do not wish to change their deviations must complete the attached Notice of Carrier Intent and Certification, Schedule Rating Plan Information Sheet and Certification and the Transmittal Form from "Filings Made Easy" published by TDI to confirm the date they will start using the new classification relativities (it must be no later than January 1, 2006). The Notice of Carrier Intent and Certification for insurers currently writing workers' compensation coverage, should be filled out completely even if the company has no change in its deviation or if no deviation exists. Such a submission will not be considered a rate filing under §3(a) of article 5.55, Texas Insurance Code.

Companies that wish to achieve revenue neutrality may also adjust their existing deviation so that the introduction of the January 1, 2006, relativities is revenue neutral based on its own distribution of business by classification. Insurers adopting this approach should clearly indicate this in a cover letter and include as a separate exhibit a listing by classification, of the January 1, 2005 and January 1, 2006 relativities, and its most recently available payrolls. An average of the sets of relativities weighted by the payrolls should also be included in the exhibit. Such a submission will not be considered a rate filing under §3(a) of Article 5.55.

If a company elects to change its deviations other than to achieve revenue neutrality (even if it is for only one class, the company should answer yes to the question in the Notice of Carrier Intent and Certification attached), it will be considered to be a rate filing under

§3(a) of article 5.55, Texas Insurance Code, and the company will have to comply with the instructions for rate changes found in "Filings Made Easy". The company must also complete and include the attached Notice of Carrier Intent and Certification with the rate filing. Such a submission will be considered a rate filing.

Companies that are not currently writing workers' compensation insurance but plan to write their first policy with an effective date on or after January 1, 2006, must comply with the instructions for rate changes found in "Filings Made Easy".

A summary checklist of required submissions by companies is included at the end of this bulletin.

Additional Submissions Required from Companies – Schedule Rating Plans

Companies are also required to submit a copy of their current schedule rating plan, if any. This should include a list of the criteria used in assessing debits and credits, the maximum debit or credit for each criterion, and the maximum overall debit or credit allowed under the plan. Carriers **must** complete and submit the attached Schedule Rating Plan Information Sheet and Certification, regardless of whether or not they use schedule rating for workers' compensation insurance. Such a submission will not be considered to be a rate filing under §3(a) of article 5.55, Texas Insurance Code.

All submissions should be sent to:

Texas Department of Insurance
Property and Casualty Intake Unit (MC 104-3B)
P. O. Box 149104
Austin, TX 78714-9104

Filing requirements are listed in the "Filings Made Easy" at:

<http://www.tdi.state.tx.us/company/rspceasy.html>

Unless a company is changing its deviation, no other forms or other exhibits listed in the "Filings Made Easy", other than the Transmittal, need to be included.

The following exhibits can be downloaded from TDI's website:

Notice of Carrier Intent and Certification
Transmittal Form
Schedule Rating Plan Information Sheet and Certification
Exhibit A: Revised Classification Relativities
Exhibit B: Revised Expected Loss Rates and D-Ratios
Exhibit C: Determination of 1/1/2006 Expected Loss Rates and D-Ratios
for Certain Selected 'a' Rated Classes

If you are unable to download the exhibits, hard copies can be requested. Contact Dolores Thompson in the Property and Casualty Actuarial Division at (512) 475-3017 or by e-mail at dolores.thompson@tdi.state.tx.us.

For further information or questions in regard to this bulletin, contact Elizabeth Buhro in the Property and Casualty Actuarial Division at (512) 305-6747 or by e-mail at Elizabeth.buhro@tdi.state.tx.us.

Insurance companies currently writing workers' compensation insurance that plan to continue writing that coverage in 2006 must send their submissions to TDI before January 1, 2006. Insurance companies that are not currently writing workers' compensation insurance but plan to write their first policy with an effective date on or after January 1, 2006, must send their submissions to TDI before the effective date of their first policy.

Failure of companies to comply with the required actions within the time limits specified may constitute a violation or violations of the Texas Insurance Code and may subject the insurer to penalties provided by law.

Sincerely,

Philip O. Presley
Chief Actuary
Property and Casualty Division

Attachments:

Notice of Carrier Intent and Certification
Schedule Rating Plan Information Sheet and Certification
Transmittal Form

SUMMARY CHECKLISTS OF REQUIRED SUBMISSIONS BY COMPANIES

The following items are required to be submitted to the Texas Department of Insurance (TDI). Additional information regarding these items and the timing of the submissions are explained more thoroughly later in this Bulletin.

- **For companies with no change in their filed deviation or a change to make the new relativities revenue neutral:**
 - ✓ Notice of Carrier Intent and Certification
 - ✓ Schedule Rating Plan Information Sheet and Certification
 - ✓ Schedule Rating Plan if applicable
 - ✓ Exhibit showing support for revenue neutral change if applicable
 - ✓ Transmittal Form
- **For companies with a change in their filed deviation:**
 - ✓ Notice of Carrier Intent and Certification
 - ✓ Schedule Rating Plan Information Sheet and Certification
 - ✓ Schedule Rating Plan if applicable
 - ✓ Filing forms and materials listed in "Filings Made Easy" published by TDI including actuarial support



Notice of Carrier Intent

Group Name: _____

Group #: _____

TDI use only

Company Name	NAIC #	1/1/2006 Relativities Adoption Date	Rate Change * (Y - Deviation Change) (N - No Change)	Current Average Deviation	Proposed Average Deviation	Link # _____	TDI # _____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____
_____	_____	__/__/____	_____	_____	_____	_____	_____

** If "yes," a complete filing is necessary for each company changing its deviation. Instructions for rate changes are found in the "Filings Made Easy" published by TDI.*

Notice of Carrier Intent Certification

I, _____, am an officer of the _____ and in that capacity, I certify that all the information contained above is complete, correct, and true to the best of my knowledge and belief.

Officer's Signature

Officer's Title

EXHIBIT A

TEXAS WORKERS' COMPENSATION RELATIVITIES
 AVAILABLE FOR IMMEDIATE USE
 MANDATORY EFFECTIVE DATE 1/1/2006

Class	Relativity	Class	Relativity
0005	4.66	2288	7.19
0008	9.74	2361	1.35
0011	10.98	2380	3.08
0016	6.89	2501	13.42
0034	17.05	2503	1.17
0035	4.94	2532	3.37
0037	6.14	2534	4.92
0042	8.93	2560	9.12
0059	'a'	2576	8.14
0065	'a'	2578	10.49
0066	'a'	2581	7.78
0067	'a'	2583	4.88
0079	7.95	2587	6.40
0083	10.84	2670	13.12
0106	12.80	2683	5.33
0113	5.23	2688	5.75
0401	21.30	2702	18.85
0913	'a'	2705	20.31
0923	'a'	2710	8.25
1165	'a'	2719	13.98
1321	3.79	2731	4.85
1438	7.36	2790	2.92
1463	15.55	2802	7.65
1472	18.32	2835	5.61
1701	8.16	2881	6.48
1747	5.26	2923	1.93
1803	5.12	3004	9.72
1924	7.79	3022	7.52
2003	10.69	3027	1.18
2014	8.49	3028	9.86
2040	4.51	3040	8.99
2041	10.18	3041	11.10
2068	8.77	3042	3.84
2081	9.41	3064	9.93
2095	10.90	3066	6.54
2105	10.36	3081	18.40
2111	6.03	3082	8.52
2114	5.57	3085	6.78
2121	4.94	3110	7.12
2157	7.15	3111	6.83
2172	1.47	3113	7.78
2211	27.52	3114	4.49
2220	5.91	3126	5.76
2260	7.52	3131	6.60
2286	4.63	3132	3.77

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Class	Relativity	Class	Relativity
3146	7.57	4038	8.13
3179	8.41	4045	9.21
3220	5.91	4062	6.92
3223	4.70	4101	5.74
3224	10.65	4112	1.31
3227	9.65	4114	9.27
3255	6.38	4130	9.79
3257	8.39	4150	3.07
3300	11.09	4206	6.60
3316	8.95	4207	2.33
3331	15.00	4239	4.91
3365	12.04	4243	6.68
3372	7.87	4244	6.71
3383	3.05	4250	1.76
3507	6.56	4273	9.14
3548	3.91	4279	4.84
3574	2.53	4282	2.73
3620	7.45	4283	6.54
3629	3.58	4299	4.85
3632	6.65	4304	7.11
3639	5.50	4307	4.23
3642	8.95	4351	1.14
3643	7.10	4360	2.91
3647	3.49	4361	4.51
3648	6.31	4362	1.20
3681	2.65	4410	6.44
3685	2.82	4417	6.83
3719	4.91	4420	8.96
3724	7.33	4431	9.56
3726	4.96	4432	4.05
3805	3.26	4439	2.68
3807	16.71	4452	6.31
3808	6.64	4459	4.88
3821	8.11	4470	6.43
3822	9.32	4484	7.59
3823	6.52	4511	1.27
3824	8.40	4519	6.36
3830	6.41	4558	6.40
3865	10.34	4568	3.21
3881	16.38	4583	7.33
4000	6.71	4611	2.77
4021	5.26	4635	2.57
4024	4.36	4653	5.59
4034	7.44	4665	21.15
4036	5.52	4670	9.23

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 AVAILABLE FOR IMMEDIATE USE
 MANDATORY EFFECTIVE DATE 1/1/2006

Class	Relativity	Class	Relativity
4692	1.37	5183	6.92
4693	3.72	5190	7.70
4703	3.28	5191	1.78
4712	4.07	5192	7.80
4716	2.99	5200	7.27
4717	8.37	5203	15.34
4720	4.27	5213	11.97
4740	2.31	5220	6.45
4743	1.04	5348	6.82
4751	3.99	5403	13.44
4766	'a'	5437	9.35
4777	'a'	5443	7.83
4800	'a'	5462	9.83
4801	'a'	5474	9.08
4802	'a'	5479	12.10
4803	'a'	5491	4.97
4804	'a'	5506	10.97
4805	'a'	5536	5.59
4806	'a'	5538	16.57
4807	'a'	5551	19.68
4808	'a'	5606	2.75
4809	'a'	5701	13.00
4810	'a'	6003	20.20
4811	'a'	6045	7.24
4812	'a'	6202	18.28
4813	'a'	6203	7.57
4814	'a'	6204	14.37
4815	'a'	6205	'a'
4816	'a'	6206	7.92
4817	'a'	6213	9.58
4818	'a'	6216	8.09
4819	'a'	6219	8.65
4820	'a'	6229	6.65
4821	'a'	6233	8.14
4822	'a'	6237	6.32
4823	'a'	6238	23.51
4902	4.80	6306	13.04
4923	2.83	6319	8.19
5022	12.38	6400	17.22
5040	30.40	6504	7.92
5041	11.11	6823	7.23
5057	12.18	6824	15.82
5070	21.32	6843	8.95
5102	12.11	6872	16.99
5160	5.40	6874	17.74

EXHIBIT A

TEXAS WORKERS' COMPENSATION RELATIVITIES
 AVAILABLE FOR IMMEDIATE USE
 MANDATORY EFFECTIVE DATE 1/1/2006

Class	Relativity	Class	Relativity
7016	17.97	8033	5.12
7024	4.77	8034	7.53
7046	10.90	8039	4.25
7047	29.43	8044	11.10
7098	12.89	8045	0.96
7099	14.53	8047	3.62
7133	10.04	8058	7.51
7134	16.00	8102	7.90
7135	18.43	8106	7.29
7219	15.80	8107	6.31
7230	12.21	8113	8.10
7309	33.51	8209	11.77
7313	11.22	8215	6.11
7317	13.23	8227	6.95
7327	7.82	8231	6.16
7350	19.61	8234	8.44
7360	10.09	8264	9.43
7380	9.22	8265	9.47
7382	17.87	8288	7.86
7390	10.09	8292	9.00
7405	1.77	8293	17.20
7418	5.36	8295	16.85
7421	4.57	8304	11.58
7422	6.16	8350	10.17
7423	6.62	8385	7.24
7502	2.52	8387	5.27
7515	2.55	8391	4.55
7520	6.86	8601	0.80
7538	30.21	8606	3.44
7539	3.72	8607	0.84
7580	4.34	8709	5.24
7590	11.77	8726	2.86
7600	4.64	8742	0.79
7602	11.25	8748	0.74
7610	0.86	8752	4.31
7704	3.73	8754	2.28
7720	5.07	8755	0.50
7855	12.57	8803	0.19
8002	5.73	8809	0.67
8006	6.52	8810	0.46
8008	2.78	8820	0.32
8013	1.57	8828	7.10
8017	4.79	8829	8.41
8018	7.88	8831	2.13
8032	4.49	8832	0.75

EXHIBIT A

TEXAS WORKERS' COMPENSATION RELATIVITIES
 AVAILABLE FOR IMMEDIATE USE
 MANDATORY EFFECTIVE DATE 1/1/2006

Class	Relativity	Class	Relativity
8833	1.96		
8837	'a'		
8838	0.76		
8858	0.73		
8868	1.09		
8901	0.63		
9014	6.89		
9015	5.63		
9016	4.47		
9019	6.05		
9032	7.30		
9033	6.19		
9040	7.84		
9052	6.87		
9058	4.29		
9060	4.67		
9061	3.49		
9063	2.49		
9079	4.52		
9080	3.27		
9089	2.08		
9093	3.34		
9101	8.10		
9102	6.04		
9154	3.17		
9156	2.22		
9170	76.38		
9178	16.81		
9179	11.97		
9182	3.56		
9186	15.77		
9220	8.19		
9402	15.33		
9501	6.42		
9522	3.33		
9529	5.96		
9552	11.85		
9586	2.55		
9600	3.97		
9620	2.51		
9984	'a'		
9985	'a'		

EXHIBIT B

TEXAS WORKERS' COMPENSATION
 EXPECTED LOSS RATES AND D-RATIOS
 EFFECTIVE DATE 1/1/2006

Class	ELR	D-Ratio	Class	ELR	D-Ratio
0005	1.84	0.28	2288	2.78	0.27
0008	3.89	0.28	2361	0.53	0.27
0011	4.18	0.26	2380	1.24	0.28
0016	2.75	0.28	2501	5.39	0.29
0034	6.15	0.23	2503	0.46	0.28
0035	1.96	0.28	2532	1.33	0.28
0037	2.37	0.26	2534	1.97	0.28
0042	3.36	0.27	2560	3.53	0.26
0059	0.09	0.26	2576	3.22	0.28
0065	0.02	0.26	2578	4.05	0.27
0066	0.02	0.26	2581	3.01	0.27
0067	0.02	0.26	2583	1.92	0.28
0079	2.97	0.26	2587	2.54	0.28
0083	4.08	0.26	2670	5.26	0.28
0106	4.71	0.25	2683	2.13	0.28
0113	1.96	0.25	2688	2.27	0.28
0401	8.18	0.27	2702	7.43	0.27
0913	73.58	0.26	2705	6.59	0.20
0923	0.69	0.26	2710	3.13	0.26
1165	1.44	0.26	2719	5.52	0.28
1321	1.34	0.23	2731	1.92	0.28
1438	2.82	0.27	2790	1.13	0.27
1463	5.55	0.25	2802	3.05	0.28
1472	6.74	0.26	2835	2.23	0.28
1701	2.97	0.25	2881	2.57	0.28
1747	1.90	0.24	2923	0.76	0.27
1803	1.84	0.25	3004	3.56	0.25
1924	2.93	0.26	3022	2.98	0.28
2003	4.00	0.27	3027	0.43	0.24
2014	3.24	0.27	3028	3.85	0.27
2040	1.77	0.27	3040	3.38	0.26
2041	3.92	0.27	3041	4.35	0.27
2068	3.51	0.28	3042	1.54	0.27
2081	3.82	0.29	3064	3.77	0.27
2095	4.21	0.27	3066	2.59	0.28
2105	4.00	0.27	3081	6.85	0.28
2111	2.42	0.29	3082	3.21	0.26
2114	2.20	0.28	3085	2.64	0.27
2121	1.95	0.27	3110	2.69	0.25
2157	2.87	0.28	3111	2.67	0.27
2172	0.58	0.27	3113	3.04	0.28
2211	10.93	0.28	3114	1.82	0.29
2220	2.34	0.28	3126	2.17	0.26
2260	2.90	0.27	3131	2.48	0.26
2286	1.74	0.25	3132	1.54	0.25

EXHIBIT B

TEXAS WORKERS' COMPENSATION
 EXPECTED LOSS RATES AND D-RATIOS
 EFFECTIVE DATE 1/1/2006

Class	ELR	D-Ratio	Class	ELR	D-Ratio
3146	2.91	0.27	4038	3.25	0.28
3179	3.19	0.26	4045	3.58	0.27
3220	2.29	0.26	4062	2.68	0.27
3223	1.90	0.28	4101	2.16	0.27
3224	3.75	0.20	4112	0.51	0.27
3227	3.75	0.27	4114	3.52	0.26
3255	2.48	0.26	4130	3.79	0.27
3257	3.26	0.27	4150	1.22	0.28
3300	4.48	0.28	4206	2.47	0.24
3316	3.66	0.29	4207	0.84	0.24
3331	5.78	0.24	4239	1.90	0.27
3365	4.81	0.26	4243	2.63	0.28
3372	2.96	0.27	4244	2.65	0.28
3383	1.21	0.28	4250	0.68	0.27
3507	2.54	0.27	4273	3.58	0.28
3548	1.56	0.28	4279	1.95	0.28
3574	0.99	0.28	4282	1.12	0.28
3620	2.84	0.26	4283	2.52	0.26
3629	1.42	0.28	4299	1.92	0.28
3632	2.52	0.26	4304	2.71	0.27
3639	2.04	0.25	4307	1.64	0.26
3642	3.33	0.25	4351	0.46	0.28
3643	2.65	0.25	4360	1.18	0.28
3647	1.33	0.28	4361	1.76	0.27
3648	2.47	0.27	4362	0.42	0.23
3681	1.05	0.28	4410	2.49	0.27
3685	1.10	0.28	4417	2.73	0.28
3719	1.83	0.25	4420	2.83	0.25
3724	2.72	0.25	4431	3.14	0.29
3726	1.75	0.24	4432	1.54	0.25
3805	1.28	0.27	4439	0.99	0.25
3807	4.89	0.24	4452	2.45	0.27
3808	2.62	0.27	4459	1.93	0.28
3821	3.07	0.27	4470	2.55	0.28
3822	3.62	0.27	4484	2.95	0.27
3823	2.63	0.28	4511	0.58	0.27
3824	3.31	0.28	4519	2.51	0.27
3830	2.42	0.27	4558	2.43	0.26
3865	3.94	0.26	4568	1.14	0.24
3881	5.61	0.22	4583	2.67	0.24
4000	2.45	0.25	4611	1.08	0.27
4021	1.99	0.26	4635	0.93	0.25
4024	1.67	0.26	4653	1.99	0.28
4034	2.76	0.25	4665	7.56	0.23
4036	2.07	0.26	4670	3.49	0.26

EXHIBIT B

TEXAS WORKERS' COMPENSATION
 EXPECTED LOSS RATES AND D-RATIOS
 EFFECTIVE DATE 1/1/2006

Class	ELR	D-Ratio	Class	ELR	D-Ratio
4692	0.54	0.28	5183	2.68	0.27
4693	1.49	0.29	5190	2.89	0.26
4703	1.30	0.28	5191	0.69	0.27
4712	1.61	0.27	5192	3.05	0.27
4716	1.05	0.22	5200	2.81	0.27
4717	3.10	0.26	5203	5.72	0.26
4720	1.68	0.27	5213	4.44	0.26
4740	0.85	0.25	5220	2.54	0.28
4743	0.38	0.24	5348	2.64	0.27
4751	1.50	0.26	5403	5.05	0.26
4766	3.64	0.26	5437	3.68	0.28
4777	2.47	0.26	5443	2.76	0.22
4800	'a'	'a'	5462	3.90	0.28
4801	8.91	0.26	5474	3.50	0.27
4802	4.68	0.26	5479	4.61	0.27
4803	3.27	0.26	5491	1.95	0.27
4804	'a'	'a'	5506	4.08	0.26
4805	0.26	0.26	5536	2.23	0.28
4806	'a'	'a'	5538	6.05	0.25
4807	0.29	0.26	5551	7.27	0.26
4808	0.78	0.26	5606	1.03	0.26
4809	0.33	0.26	5701	4.32	0.21
4810	2.22	0.26	6003	7.66	0.27
4811	1.06	0.26	6045	2.67	0.25
4812	0.04	0.26	6202	6.69	0.25
4813	1.02	0.26	6203	2.47	0.21
4814	1.67	0.26	6204	5.51	0.26
4815	0.78	0.26	6205	0.73	0.26
4816	0.47	0.26	6206	2.71	0.23
4817	1.71	0.26	6213	3.28	0.22
4818	'a'	'a'	6216	3.05	0.25
4819	2.16	0.26	6219	3.25	0.26
4820	'a'	'a'	6229	2.59	0.27
4821	0.61	0.26	6233	2.92	0.24
4822	1.89	0.26	6237	2.25	0.24
4823	1.55	0.26	6238	8.58	0.25
4902	1.91	0.28	6306	4.61	0.24
4923	1.09	0.27	6319	3.09	0.26
5022	4.87	0.28	6400	6.48	0.26
5040	11.28	0.26	6504	3.08	0.27
5041	3.45	0.18	6823	2.83	0.28
5057	4.29	0.24	6824	4.10	0.26
5070	7.82	0.25	6843	1.94	0.25
5102	4.67	0.27	6872	3.94	0.22
5160	2.06	0.26	6874	4.48	0.25

EXHIBIT B

TEXAS WORKERS' COMPENSATION
 EXPECTED LOSS RATES AND D-RATIOS
 EFFECTIVE DATE 1/1/2006

Class	ELR	D-Ratio	Class	ELR	D-Ratio
7016	4.49	0.25	8033	2.02	0.28
7024	3.01	0.20	8034	2.96	0.28
7046	2.68	0.23	8039	1.66	0.27
7047	6.13	0.19	8044	4.17	0.26
7098	3.36	0.25	8045	0.45	0.27
7099	3.24	0.21	8047	1.43	0.27
7133	2.45	0.24	8058	2.90	0.27
7134	4.05	0.26	8102	3.06	0.24
7135	4.19	0.21	8106	2.85	0.27
7219	6.02	0.26	8107	2.40	0.27
7230	4.86	0.28	8113	2.99	0.25
7309	8.79	0.27	8209	4.66	0.28
7313	2.65	0.26	8215	2.24	0.25
7317	3.50	0.27	8227	2.60	0.26
7327	1.88	0.22	8231	2.40	0.27
7350	4.33	0.24	8234	3.26	0.27
7360	3.89	0.27	8264	3.48	0.24
7380	3.52	0.27	8265	3.62	0.27
7382	6.77	0.27	8288	3.11	0.27
7390	3.86	0.27	8292	3.52	0.27
7405	0.72	0.29	8293	6.80	0.28
7418	1.39	0.13	8295	6.31	0.27
7421	1.64	0.24	8304	4.39	0.26
7422	1.77	0.16	8350	3.51	0.22
7423	2.62	0.28	8385	2.82	0.28
7502	0.88	0.23	8387	2.04	0.27
7515	0.91	0.25	8391	1.77	0.27
7520	2.62	0.26	8601	0.30	0.25
7538	10.03	0.23	8606	1.22	0.24
7539	1.34	0.25	8607	0.28	0.21
7580	1.59	0.25	8709	1.24	0.24
7590	4.49	0.26	8726	0.72	0.28
7600	1.77	0.27	8742	0.30	0.26
7602	4.36	0.27	8748	0.29	0.28
7610	0.34	0.28	8752	1.62	0.26
7704	1.42	0.27	8754	0.91	0.28
7720	1.92	0.27	8755	0.19	0.26
7855	4.54	0.24	8803	0.07	0.26
8002	2.26	0.28	8809	0.25	0.25
8006	2.56	0.28	8810	0.18	0.27
8008	1.09	0.27	8820	0.12	0.27
8013	0.62	0.28	8828	2.73	0.27
8017	1.88	0.28	8829	3.32	0.28
8018	3.09	0.27	8831	0.86	0.29
8032	1.78	0.28	8832	0.29	0.27

EXHIBIT B

TEXAS WORKERS' COMPENSATION
 EXPECTED LOSS RATES AND D-RATIOS
 EFFECTIVE DATE 1/1/2006

Class	ELR	D-Ratio	Class	ELR	D-Ratio
8833	0.77	0.28			
8837	'a'	'a'			
8838	0.30	0.28			
8858	0.28	0.26			
8868	0.43	0.28			
8901	0.25	0.28			
9014	2.68	0.27			
9015	2.18	0.27			
9016	1.77	0.28			
9019	2.19	0.26			
9032	2.76	0.26			
9033	2.43	0.27			
9040	3.07	0.28			
9052	2.66	0.27			
9058	1.67	0.28			
9060	1.79	0.28			
9061	1.40	0.28			
9063	0.96	0.28			
9079	1.74	0.27			
9080	1.32	0.28			
9089	0.82	0.27			
9093	1.30	0.27			
9101	3.19	0.28			
9102	2.36	0.28			
9154	1.22	0.27			
9156	0.89	0.28			
9170	30.39	0.28			
9178	6.51	0.28			
9179	4.92	0.29			
9182	1.38	0.27			
9186	5.48	0.22			
9220	3.16	0.27			
9402	5.49	0.24			
9501	2.46	0.26			
9522	1.30	0.27			
9529	2.19	0.25			
9552	4.20	0.23			
9586	1.03	0.28			
9600	1.35	0.27			
9620	0.91	0.25			
9984	'a'	'a'			
9985	'a'	'a'			

Exhibit C

Determination of 1/1/20056 Expected Loss Rates for Certain 'a' Rated Classes

The Expected Loss Rate (ELR) for the classes 4800, 4804, 4806, 4818, 4820, and 8837 should be determined as follows:

ELR Determination:

1. Determine the 1/1/2006 relativity for the individual risk by dividing the actual rate charged per \$100 of payroll by the carrier's deviation from the 1/1/2006 relativities expressed as a factor (e.g. a -20% deviation would be expressed as a factor of 0.800). If the carrier does not have a single deviation for all class codes, an average deviation should be determined.
2. Determine the individual risk's ELR by multiplying the product determined in number 1 above, by a factor of 0.384.

D-Ratios

Class Code	D-Ratio
4800	0.35
4804	0.33
4806	0.32
4818	0.35
4820	0.20
8837	0.25